

Message Text

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PAGE 01 GENEVA 11450 01 OF 02 030553Z

ACTION EB-08

INFO OCT-01 IO-13 ISO-00 STRE-00 FEA-01 AGRE-00 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05

SS-15 STR-05 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02

OMB-01 AF-10 ARA-10 EA-10 EUR-12 NEA-10 /141 W

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R 021742Z DEC 77

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TO SECSTATE WASHDC 3678

INFO ALL OECD CAPITALS

LIMITED OFFICIAL USE SECTION 01 OF 02 GENEVA 11450

BRUSSELS ALSO FOR USEEC

PASS STR ELECTRONICALLY FOR STEWART

E.O. 11652: N/A

TAGS: ETRD, GATT

SUBJECT: 33RD SESSION GATT CONTRACTING PARTIES -

GENERAL STATEMENTS

1. BEGIN SUMMARY: FEAR OF GROWING WAVE OF SECTORAL PROTECTIONISM, GATT AS BULWARK AGAINST DETERIORATING TRADE SITUATION, AND NEED TO ACHIEVE SUBSTANTIVE RESULTS IN MTN WERE MAJOR THEMES OF GENERAL STATEMENTS IN SHORT SESSION. LDC'S SAW GROWING PROTECTIONISM AS DC FAILURE TO ADJUST TO STRUCTURAL CHANGES IN WORLD COMPETITIVENESS AND, IN PRELUDE TO NEXT WEEK'S MEETING OF THE TEXTILE COMMITTEE, SEVERAL CRITICIZED DC ATTEMPTS TO IMPOSE TERMS IN BILATERAL NEGOTIATIONS. AMONG SPECIFIC COMMENTS CONCERNING MTN WAS JAPANESE STATEMENT ON TARIFF CUTTING HYPOTHESIS AND GOJ WILLINGNESS TO CONSIDER ADVANCE IMPLEMENTATION OF TARIFF REDUCTIONS. END SUMMARY.

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PAGE 02 GENEVA 11450 01 OF 02 030553Z

2. THEME OF ALL STATEMENTS WAS CONCERN OVER RECENT WAVE OF PROTECTIONIST PRESSURES (AND ACTIONS) AND NEED TO ACHIEVE A MEANINGFUL RESULT IN THE MTN. EVERY CP WHO SPOKE EXPRESSED NEED TO FIGHT THESE PROTECTIONIST PRESSURES WHICH LED AUSTRIA TO WONDER WHY GOVERNMENTS COULDN'T AVOID PROTECTIONIST DEVICES IF THEY WERE ALL

SO CONCERNED ABOUT THEIR SPREAD. STATEMENTS BY DEVELOPING COUNTRIES VIEWED PROTECTIONIST MEASURES AS AIMED AT THEIR EXPORTS, CRITICIZED CURRENT DEVELOPMENTS IN TEXTILE NEGOTIATIONS AND CALLED FOR RENEWED EFFORTS ON PART OF DC'S TO DEVELOP POLICIES TO ADJUST TO CHANGING STRUCTURE OF INTERNATIONAL TRADE. MANY SHARED BELIEF THAT PROTECTIONIST PRESSURES ARE OF STRUCTURAL RATHER THAN OF CYCLICAL ORIGIN. SEVERAL DELS USED DG LONG'S RECENT SPEECH IN ZURICH AND GATT STAFF STUDY ON LIBERALIZATION AND PROTECTIONS AS BACKDROP FOR GENERALLY PESSIMISTIC COMMENTS ON WORLD TRADING SITUATION. NORDICS SAW PRESSURES AS STEMMING FROM STRUCTURAL CHANGES AND GROWTH OF NEW EXPORTING (AND EXCESS) CAPACITIES IN DEVELOPING COUNTRIES. ISRAEL DISTINGUISHED GENERAL PROTECTIONISM, WHICH IT BELIEVED TO HAVE BEEN ADEQUATELY RESISTED, FROM SECTORAL PROTECTIONISM, WHICH THREATENED TO RUN RAMPANT. AUSTRALIA AND NEW ZEALAND EMPHASIZED AGRICULTURAL ASPECT OF PROTECTIONISM, AND AUSTRALIA CALLED ATTENTION TO ITS CG-18 PAPER ON AGRICULTURE.

3. CONTENT OF DEVELOPING COUNTRY STATEMENTS SUMMED UP BY INDIAN CALL FOR:

(A) REDEDICATION OF CP'S TO TOKYO DECLARATION, PARTICULARLY ITEMS PERTAINING TO DEVELOPING COUNTRIES,

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PAGE 03 GENEVA 11450 01 OF 02 030553Z

(B) EFFECTIVE PARTICIPATION OF DEVELOPING COUNTRIES IN MTN,

(C) STRICT OBSERVANCE (PRESUMABLY BY DC'S) OF EXISTING TRADE RULES,

(D) ORGANIZED ADJUSTMENT ASSISTANCE IN DC'S TO MOVE FACTORS OF PRODUCTION OUT OF LDC COMPETITIVE INDUSTRIES,

(E) TAKE MEASURES TO IMPROVE COMMODITY MARKETS AND TO SUSTAIN DEMAND FOR LDC GOODS, AND

(F) REAFFIRMATION AND ADHERENCE TO OECD TRADE PLEDGE AND STANDSTILL IN PART IV OF GATT.

4. IN ADDITION TO GENERAL COMMENTS ON URGENCY OF SUCCESSFUL CONCLUSION TO MTN, NEED TO GIVE PRIORITY INTEREST TO S&D AND IMPORTANCE ATTACHED BY LDC'S TO PROGRESS IN FRAMEWORK GROUP, DELS MADE THE FOLLOWING SPECIFIC COMMENTS ON MTN:

(A) JAPAN (SAWAKI) ANNOUNCED GOJ ACTIVELY PURSUING WAYS TO FURTHER ENCOURAGE IMPORTS INTO JAPAN AND ACTIVELY CONSIDERING ADVANCE IMPLEMENTATION OF TARIFF REDUCTIONS (WITH CREDIT IN MTN), STATED COMMITMENT TO TABLE OFFERS JAN. 15 ON BASIS OF HYPOTHESIS OF WEIGHTED 40 PERCENT CUT ACCORDING TO HARMONIZATION FORMULA STAGED OVER 8-YEAR PERIOD, AND SAID WOULD WORK WITH OTHERS ON NTM CODES (SEE SEPTTEL).

SAWAKI SAID THAT NEW FACE OF FUKUDA CABINET REPRESENTS A RENEWED DETERMINATION OF THE JAPANESE GOVERNMENT TO COPE WITH THE ECONOMIC DIFFICULTIES IN AND OUT OF JAPAN. COMMENT: DURING LUNCHEON JAPANESE DEL TOLD US THAT STATEMENT ON ADVANCE IMPLEMENTATION AND TARIFF

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PAGE 01 GENEVA 11450 02 OF 02 030554Z
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TO SECSTATE WASHDC 3679
INFO ALL OECD CAPITALS

LIMITED OFFICIAL USE SECTION 02 OF 02 GENEVA 11450

HYPOTHESIS WAS DESIGNED TO "LOCK IN" NEW CABINET ON THIS PATH. HE COULD NOT GUARANTEE IT WOULD BE SUCCESSFUL.
END COMMENT.

(B) NORDICS SINGLED OUT IMPROVED SAFEGUARD CLAUSE AND SUBSIDIES AND COUNTERVAILING DUTIES AS OF "CENTRAL IMPORTANCE."

(C) EC SAID IT CONSIDERS MTN AS A WHOLE, DOES NOT LOOK AT ANY ISSUE SEPARATELY FROM TOTAL PACKAGE, AND BELIEVES THERE SHOULD BE PROGRESS IN ALL AREAS. NEGOTIATIONS IN FRAMEWORK GROUP SHOULD LEAD TO LEGAL BASIS FOR DIFFERENTIAL TREATMENT AND INCREASED PARTICIPATION OF DEVELOPING COUNTRIES IN RIGHTS AND OBLIGATIONS OF GATT.

(D) ISRAEL IS INSTITUTING NEW ECONOMIC PROGRAM
CALLING FOR TARIFF REDUCTIONS. ISRAEL CONSIDERS THESE
REDUCTIONS ITS "CONTRIBUTION" TO MTN. IT BELIEVES THAT
IMPROVED SAFEGUARD CLAUSE SHOULD CONTAIN OBLIGATION ON
PART OF INVOKING PARTY TO UNDERTAKE ADJUSTMENT ASSISTANCE
PROGRAMS.

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PAGE 02 GENEVA 11450 02 OF 02 030554Z

(E) JAMAICA CRITICIZED LACK OF U.S. OFFER IN
TROPICAL PRODUCTS AND STATED NEED TO MOVE BEYOND HYPO-
THESIS IN TARIFF CUTTING TO CONCRETE FORMULA (SENTIMENT
ECHOED BY OTHER LDC'S).

5. OTHER COMMENTS OF INTEREST:

(A) CZECHOSLOVAKIA CALLED FOR ADHERENCE TO CURRENT
RULES, POINTING OUT THAT U.S. DOES NOT APPLY GATT TO
ITS TRADE.

(B) CHANGE IN NEW ZEALAND TARIFF SCHEDULES -- SEE
SEPTTEL. SORENSON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMITTEE MEETINGS, TRADE AGREEMENTS, CONTRACTS, MEETING REPORTS
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Sent Date: 02-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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SAS ID: 106178
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Status: NATIVE
Subject: 33RD SESSION GATT CONTRACTING PARTIES - GENERAL STATEMENTS
TAGS: ETRD, GATT
To: STATE USEEC
Type: TE
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